

1 ATKINSON, ANDELSON, LOYA, RUUD & ROMO  
2 A Professional Corporation  
3 Aaron S. Craig State Bar No. 204741  
ACraig@aalrr.com  
4 Shawn M. Ogle State Bar No. 266259  
SOgle@aalrr.com  
5 12800 Center Court Drive South, Suite 300  
Cerritos, California 90703-9364  
6 Telephone: (562) 653-3200  
Fax: (562) 653-3333  
7 Attorneys for Plaintiff and Cross-Defendant BOILING  
POINT GROUP, INC.

8  
9 UNITED STATES DISTRICT COURT  
10  
11 CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES

12 BOILING POINT GROUP, INC.,  
13 a California corporation,

14 Plaintiff,

15 v.

16 FONG WARE CO. LTD.,  
FONGWARE LLC, FONG WARE  
INDUSTRIAL CO., LTD, and  
KEN-ZUEI LIU,

17 Defendants.

18 FONG WARE CO. LTD., a California  
19 corporation,

20 Cross-Complainant,

21 v.

22 BOILING POINT GROUP, INC.,  
a California corporation,

23 Cross-Defendant.

24 Case No. 2:16-cv-01672-RGK-JEM

25 **PLAINTIFF BOILING POINT  
GROUP, INC.'S NOTICE AND  
MOTION IN LIMINE NO. 1 TO  
EXCLUDE DOCUMENT MARKED  
AS FONG WARE 000342**

26 DATE: May 16, 2017  
TIME: 9:00 a.m.  
COURTROOM: 850

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015395.00008  
15512424.1

PLAINTIFF BOILING POINT GROUP, INC.'S NOTICE AND MOTION IN LIMINE NO. 1 TO  
EXCLUDE DOCUMENT MARKED AS FONG WARE 000342

1 TO THIS HONORABLE COURT AND TO DEFENDANT AND TO ITS  
2 ATTORNEY OF RECORD:

3 NOTICE IS HEREBY GIVEN that Plaintiff BOILING POINT GROUP,  
4 INC., will and hereby does, move this Court *in limine*, for an Order to exclude a  
5 document that was marked as Fong Ware 000342 during discovery. This motion is  
6 made on the grounds that any such evidence is hearsay, irrelevant, and unduly  
7 prejudicial in violation of Federal Rules of Evidence 401, 402, and 403.

8 Dated: March 31, 2017

9 ATKINSON, ANDELSON, LOYA, RUUD &  
10 ROMO

11 By: /s/ Aaron S. Craig

12 Aaron S. Craig

13 Shawn M. Ogle

14 Attorneys for Plaintiff and Cross-  
15 Defendant BOILING POINT GROUP,  
16 INC.

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL CORPORATION  
12800 CENTER COURT DRIVE SOUTH, SUITE 300  
CERRITOS, CALIFORNIA 90703-9364  
TELEPHONE: (562) 653-3200  
FAX: (562) 653-3333

## I. INTRODUCTION

2 Defendants Fong Ware Co. Ltd., FongWare LLC, Fong Ware Industrial Co.,  
3 Ltd., and Ken-Zuei Liu (collectively “Defendants”) should be precluded from  
4 offering into evidence a financial report document that was produced by Defendants  
5 as Fong Ware 000342, because Defendants have admitted that the report is  
6 inaccurate, which testimony is confirmed by contradictions between the report itself  
7 on the one hand, and records produced in discovery by Defendants and third parties  
8 on the other hand. The Court has the inherent power to grant a motion *in limine* to  
9 exclude any evidence that could be objected to at trial. See U.S. v. Copeland, 321  
10 F.3d 582, 597-98 (6th Cir. 2003); U.S. v. Pablo Varela-Rivera, 279 F.3d 1174, 1179  
11 (9th Cir. 2002). The Court should do so here.

## II. ARGUMENT

13 Boiling Point Group, Inc. (“Boiling Point”) moves to preclude Defendants  
14 from referencing or offering into evidence the document that was produced by  
15 Defendants as Fong Ware 000342 (“Page 342”).

16       Business records may be admissible as an exception to the rule against  
17 hearsay provided that the party offering the records satisfies the requirements of  
18 Federal Rule of Evidence 803(6). However, even if the proponent of the records  
19 satisfies the first four elements, the business records will be inadmissible if the  
20 opponent shows “that the source of information or the method or circumstances of  
21 preparation indicate a lack of trustworthiness.” Fed. R. Evid. 803(6)(E); Kikalos v.  
22 U.S., 408 F.3d 900, 904 (7th Cir. 2005).

23       Here, Defendants' principal, Ken-Zuei Liu, admitted at his deposition that  
24 Page 342 is incomplete and unreliable. Declaration of Aaron S. Craig ("Craig  
25 Decl."), Exh. 2 at 46:24-48:5, and 50:18-51:14. Specifically, Liu testified as  
26 follows:

27 Q And the computer system that created this report had access to  
28 the complete data for both of those companies?

1 A Not all of it because I did not start using this software until 2014,  
2 but I had keyed in all the data that had been stored by me.  
3

4 Exh. 2 at 47:25-48:5  
5  
6 ...  
7

8 Q So if Action Sales said that they had purchased more than 1,853  
9 units of the FW-1308, does that mean they're lying?  
10

11 THE INTERPRETER: Can you give me number again, please.  
12

13 MR. CRAIG: 1,853.  
14

15 THE WITNESS: I previously indicated to you that this software did  
16 not get used until 2014. Prior to that, all the data was hand-recorded by  
17 me, although I did tell you that I had transferred the handwritten record  
18 that I kept into the — the software system, but there might be figures  
19 that were missed out.  
20

21 Exh. 2 at 50:18-51:5  
22

23 In addition, other documents produced in discovery by Defendants and third  
24 parties demonstrate that Page 342 is incomplete, inaccurate and unreliable.  
25 Specifically, Page 342 purports to show total Defendants' total sales of the FW-  
1308 device of 1,853 units, with sales amounts of \$44,088 and costs of goods sold in  
the amount of \$33,354 (\$18.00 per unit). Craig Decl., Exh. 2 at 48:10-50:14, and  
Exh. 3.  
1

2 However, the purchase orders that have been produced by Defendants show  
3 that Defendants sold at least 1,965 FW-1308 units during the period from October  
4 2014-April 2016, (which total does not cover whatever additional sales Defendants  
5 made in 2013 or the first 9 months of 2014). Craig Decl., ¶7 and Exh. 4. Thus the  
6 1,853 units figure showed on Page 342 cannot possibly be correct. Moreover, the  
7 records disclosed by third party Action Sales shows that it has purchased a total of  
8 2,568 units (608 in 2013 and 1,960 thereafter) from Defendants, and sold 2,430  
9 units. Craig Decl., ¶ 8, Exh. 5. Therefore, Defendants' sales cannot possibly be  
10 limited to 1,853 units, and Defendants' Page 342 is unreliable.  
11

12 In addition, Page 342 purports to show that Defendants' Cost of Goods Sold  
13 was \$33,354.00, which works out to exactly \$18.00 per unit. However, the invoices  
14

1 produced by Defendants show that FongWare LLC and Fong Ware Co. Ltd. paid  
2 \$7.00 or \$7.70 per unit from its affiliate, Defendant Fong Ware Industrial (whose  
3 true cost is likely much lower). Craig Decl., ¶ 9, Exh. 6. Defendants have provided  
4 no other documents to support this \$18.00 per unit figure, and it appears to have no  
5 basis in fact.

6 **III. CONCLUSION**

7 Based upon the foregoing, the report produced by Defendants as Fong Ware  
8 000342 is wholly unreliable, and the Court should exclude it, along with all  
9 argument, exhibits, and testimony related thereto.

10 Dated: March 31, 2017

11 **ATKINSON, ANDELSON, LOYA, RUUD &  
ROMO**

12 By: /s/ Aaron S. Craig

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